

Wisconsin Tax Incidence Study

Wisconsin Department of Revenue
Division of Research and Policy
December 16, 2004





State of Wisconsin • DEPARTMENT OF REVENUE

2135 RIMROCK RD. • P.O. BOX 8933 • MADISON, WISCONSIN 53708-8933
PHONE (608) 266-6466 • FAX (608) 266-5718 • <http://www.dor.state.wi.us>

Jim Doyle
Governor

Michael L. Morgan
Secretary of Revenue

December 16, 2004

The Honorable James Doyle
Governor of Wisconsin
115 East State Capitol
Madison, WI 53702

Dear Governor Doyle:

I am pleased to submit to you the Department of Revenue's 2004 Tax Incidence Study. As part of your "Grow Wisconsin" initiative, you directed the Department to conduct the first tax incidence study in 20 years. The attached study provides a thorough examination of who actually pays state and local taxes in Wisconsin.

The study estimates how the burden of state and local taxes was distributed across Wisconsin households. It includes approximately 88% of all state and local taxes paid in 2001. The study examines the tax burden of each state and local tax as well the tax structure overall. It examines the tax burden of households of different income levels, housing status, age and household structure.

The findings of the study can be used to evaluate the degree to which Wisconsin has a fair, equitable and efficient tax structure. I believe the study will contribute to the policy making process for many years to come.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael L. Morgan".

Michael L. Morgan
Secretary of Revenue

MLM:

ACKNOWLEDGEMENTS

The 2004 Wisconsin Tax Burden Study was a collective effort by current and former employees of the Department of Revenue with assistance from other Wisconsin state agencies, University of Wisconsin faculty members and a senior associate at the Federal Reserve Bank of Chicago.

Rebecca Boldt, Yeang-Eng Braun, Dennis Collier and James Rissman of the Department of Revenue were primarily responsible for producing this report. Most of the economic analysis and writing of the final document was done by Rebecca Boldt. Yeang-Eng Braun and Dennis Collier provided significant contributions to the development of the methodology and writing of the report. James Rissman was primarily responsible for the development of the data used in the analysis, with valuable contributions from Steve Drake. Pam Walgren and David Peterson also contributed to the development of the methodology used in the analysis. Eugene Schubert provided support- and advice on many aspects of the study. Audra Brennan and Jason Helgersen also provided valuable editorial comments on the final report.

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TABLE OF CONTENTS

	Page
Chapter I - Introduction and Summary	1
Chapter II - Wisconsin's Tax Structure	9
Chapter III - Methodology and Assumptions	17
Chapter IV - Wisconsin Households	35
Chapter V - Distribution of Tax Burdens by Income Class	43
Chapter VI - Distribution of Tax Burdens by Household Type.....	63
Chapter VII - Summary and Areas of Future Research	75
Appendix 1: Differences Between the 1979 and 2004 Studies.....	77
Appendix 2: Income Elements and Data Sources	81
Appendix 3: Data Benchmarks	85
Appendix 4: Derivation of Plausible Variant Assumptions	97
Appendix 5: Sales Tax Collections: Allocation Between Consumer and Business Purchases.....	103
Appendix 6: Derivation of Property Tax on Recreational, Rental and Vacant Housing	111
Appendix 7: Consumption Imputations	113
Appendix 8: Tax Incidence of Business Taxes	117
Bibliography	123
List of Tables:	
I.1 Wisconsin State and Local Tax Burden by Household Group, 2001	5
II.1 2001 Taxes Included in Tax Incidence Study.....	9
II.2 Wisconsin Standard Deductions, Tax Year 2001	10
II.3 Wisconsin Individual Income Tax Rates and Brackets, Tax Year 2001	11
II.4 Effect of Standard Deduction on Income Tax Rates	11
II.5 2001 Equalized Value of Taxable Property by Class of Property.....	14
II.6 Local Property Tax Levies by Taxing Jurisdiction, 2001	14

Table of Contents

II.7 Wisconsin Corporate Income and Franchise Tax Collections, 2001	15
III.1 Steps Required to Determine Tax Incidence.....	17
III.2 Shifting Assumptions Under Three Variants	21
III.3 Incidence Assumptions for Corporate Income and Franchise Tax,..... 2001 (\$471.8 Million).....	23
III.4 State and Local Sales/Use Taxes Paid by Consumers, Manufacturers and Non-Manufacturers, 2001.....	24
III.5 Incidence Assumptions for Sales and Use Tax, 2001 (\$3,741.7 Million)	25
III.6 Incidence Assumptions for Property Taxes, 2001 (\$6,449.5 Million)	27
III.7 Incidence Assumptions for Utility Taxes, 2001 (\$234.7 Million)	30
III.8 Distribution of Business Taxes by Taxpayer Category Under Regressive, Plausible and Progressive Variants, All Sectors	31
III.9 Distribution of Property Taxes on Rental Housing Under Regressive, Plausible and Progressive Variants.....	31
III.10 Average Property Tax Liability for Imputed Homeowners and Renters	33
IV.1 Households in Tax Incidence Study	36
IV.2 Household Characteristics, 2001	36
IV.3 Wisconsin Income Distribution, 2001	37
IV.4 Income Sources by Household Group, 2001	37
IV.5 Distribution of Income Elements Across Household Groups, 2001.....	38
IV.6 Nontaxable Income as a Share of Total Income, 2001	39
IV.7 Wisconsin Retirement Income – Taxable and Non-Taxable, 2001	40
IV.8 Tax Deferred Compensation Plans, Employee Participation and Average Contributions, 2001	41
IV.9 Household Characteristics by Household Group	41
V.1 Shifting Assumptions Under Three Variants	43
V.2 Final Incidence by Tax Type under Three Shifting Assumptions	45
V.3 Wisconsin Income Distribution, 2001	45
V.4 Distribution of Property Taxes on Rental Housing	50
V.5 Homestead Credit Recipients by Income Group – Homeowners and Renters.....	52
V.6 Kakwani Indices for Wisconsin Taxes (Before Federal Offset)	57
VI.1 Income and Taxes – Renters vs. Homeowners	63
VI.2 Kakwani Index: Renters vs. Homeowners.....	68
VI.3 Income and Taxes – Non-Elderly Households vs. Elderly Households	69
VI.4 Income and Tax Burden by Household Composition	70
VI.5 Kakwani Index – All Taxes by Household Composition	74
A.1.1 Variant 3 "Plausible" Assumptions, 1974 and 2004	79
A.2.1 Household income Elements (Data Sources)	81
A.3.1 2001 Wisconsin Households: U.S. Census vs. Tax Incidence Study..	86
A.3.2 Household Characteristics: Census and Tax Incidence Study.....	87
A.3.3 2001 Family Income by Household Size – Census vs. Tax Incidence Study.....	89
A.3.4 Income Elements – Tax Incidence Study Compared to Benchmark Estimates	90
A.3.5 Estimated Wisconsin Participation and Contributions To 401(k) – Type Plans, 2001	94
A.3.6 Wisconsin Business Taxes to Total Taxes, 2001	95
A.4.1 Derivation of National Average Corporate Rate	98
A.4.2 Allocation of Corporate Tax Burden by Sector	99

Table of Contents

A.4.3 Derivation of National Effective Property Tax (Non-Land), 2001	100
A.4.4 Derivation of Property Tax Shifting.....	101
A.6.1 Allocation of Property Tax for Recreational, Rental and Unoccupied Housing	112
A.7.1 Regression Results Using CES Data to Estimate Total Household Consumption of Total and Taxable Purchases	114
A.7.2 Imputed Consumption for Tax Incidence Household by	115
A.7.3 Consumption Shares by Household Groups	115
A.8.1 Suits Indices for Wisconsin Taxes.....	119

List of Charts:

I.1 Effective Wisconsin Total State and Local Tax Rates Under Three Incidence Variants, 2001	3
I.2 Property Tax Incidence, Plausible Variant, Before and After Refundable Property Tax Credits	6
V.1 Incidence of Individual Income Tax, Before and After Refundable Earned Income Tax Credit (EIC).....	46
V.2 Incidence of Corporate Income and Franchise Tax	47
V.3 Incidence of Sales and Use Taxes	48
V.4 Incidence of Utility Taxes	49
V.5 Incidence of Property Taxes.....	50
V.6 Property Tax Incidence, Plausible Variant Before and After Refundable Tax Credits.....	51
V.7 Incidence of All Wisconsin State and Local Taxes, 2001	54
V.8 Wisconsin State and Local Tax Burden by Tax Type, by Household Group, 2001	54
V.9 Kakwani Index – Example	55
V.10 Kakwani Index – Residential Property Tax, Plausible Variant	58
V.11 Income Distribution – Before and After State and Local Taxes, 2001...	59
V.12 Incidence of Total State and Local Taxes, Before and After Federal Offset, Plausible Variant.....	61
V.13 Incidence of State and Local Taxes, Including Federal Earned Income Tax Credit	61
V.14 Incidence of State and Local Taxes, Net of Federal Tax Effects	62
VI.1 Incidence of Total Taxes, Renters vs. Homeowners, Plausible Variant	64
VI.2 Tax Incidence by Tax Type, Renters vs. Homeowners, Plausible Variant	65
VI.3 Incidence of Residential Property Taxes, Renters vs. Homeowners Under Three Variants	66
VI.4 Incidence of Residential Property Taxes After the Homestead Credit, Renters vs. Homeowners, Plausible Variant	67
VI.5 Incidence of Total Taxes (Before Federal Offset) – Elderly vs. Non-Elderly Households.....	69
VI.6 Incidence of Total Taxes (Before Federal Offset) Single vs. Married Households (No Children).....	71
VI.7 Incidence of Total Taxes (Before Federal Offset) Heads of Household vs. Married Couples with Children	72
A.1.1 Total Taxes by Tax Type, 1974 and 2001	78

Table of Contents

A.5.1 Derivation of Sales and Use Taxes Paid for Retail Purchases	104
A.5.2 Derivation of Sales and Use Taxes Paid for Wholesale Purchases.....	104
A.5.3 Derivation of Sales and Use Taxes Paid for Services.....	105
A.5.4 Derivation of Sales and Use Taxes Paid for Manufacturing Purchases	107
A.5.5 Derivation of Sales and Use Tax on Construction-Related Purchases	108
A.8.1 Incidence of Business Property Taxes	117
A.8.2 Incidence of Corporate Taxes on Utilities.....	118
A.8.3 Incidence of Corporate Taxes (Non-Utilities)	119
A.8.4 Incidence of Sales Taxes on Business Inputs.....	119
A.8.5 Incidence of Utility Taxes on Business Use	120
A.8.6 Incidence of Total Business Taxes.....	120